

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING MINUTES**

**8:30 AM, Friday, November 1, 2013
Red Lion Hotel, 18220 International Blvd, SeaTac, Washington**

ATTENDANCE:

President – Tammy Devlin, Alternate Director – Thurston County Risk Manager
Vice President – W.A. “Drew” Woods, Director – Columbia County Public Works Director
Secretary/Treasurer – Mark Wilsdon, Director – Clark County Risk Manager

Other Executive Committee Members Present –

Keith Goehner, Director – Chelan County Commissioner
Thad Duvall, Alternate Director – Douglas County Auditor (*telephonic*)
Dean Burton, Director – Garfield County Commissioner (*from 8:30 AM – 11:50 AM*)
David Alvarez, Alternate Director – Jefferson County Civil DPA
Lisa Young, Director – Kittitas County HR Director
Lee Grose, Director – Lewis County Commissioner
Lisa Ayers, Alternate Director – Pacific County Commissioner
Steve Bartel, Director – Spokane County Risk Manager
Vyrle Hill – WCRP Executive Director (*ex-officio*)

Risk Management Committee

Chair Bryan Perry, Alternate Director – Benton County Safety & Training Officer (*telephonic, from 8:30 – 9:08 AM*)

Arthur J. Gallagher RMS, Inc. (Producer) –

Elizabeth Miser, Area Vice President

John Chino, Area Sr. Vice President (*arrived at 9:06 AM*)

Risk Pool Staff –

Susan Looker – Claims Manager

Jill Lowe – Loss Control Coordinator

Stacey Spears – Administrative Assistant

Others –

Steven Clem, Director – Douglas County Prosecuting Attorney (*from 8:30 – 11:50 AM*)

Darryl Walker, Clark County Civil Deputy Prosecuting Attorney (*telephonic from 9:57 – 10:13 AM*)

J. William Ashbaugh, Coverage Counsel – Hackett Beecher & Hart (*arrived at 9:28 AM*)

Mel Crawford, Attorney – MacDonald Hoague & Bayless (*from 8:30 – 10:50 AM*)

Tim Ford, Attorney – MacDonald Hoague & Bayless (*from 10:02 – 10:50 AM*)

Welcome and Roll Call: President Devlin called the meeting to order at 8:33 a.m. and welcomed those attending, both in person and telephonically. She announced that she could confirm visually and audibly that all of the committee members were participating.

Agenda: President Devlin announced that as Bryan Perry was participating telephonically, she would like to move the Risk Management Committee report to earlier in the meeting. President Devlin then asked if there were any other changes to the preliminary agenda. Mr. Grose moved and Mr. Bartel seconded for approval of the preliminary agenda with the suggested change in the order; *the motion passed.*

Consent Agenda: Mr. Bartel moved and Mr. Goehner seconded for approval of the meeting’s Consent Agenda, *the motion passed without dissent.* Included were:

1. Minutes of the July 19, 2013 Executive Committee Meeting
2. Minutes of the October 4, 2013 Executive Committee Telephonic Meeting
3. Voucher Approval Request No. 13-01 (Jul-Sep 2013)
4. Claim Settlement Confirmation No. 2013-11-1
5. Confirm Py2014 JSILP (liability) Assessments/Allocations
6. Confirm Py2014 WCPP (property) Assessments/Allocations
7. Eighth Amendment – Personal Services Agreement with DRG Sound Solutions (David Goldsmith)

Investment Committee Report: Former Chair Bartel reported returns were favorable during Py2013. Current Chair Wilsdon reported \$5 million was added to the Spokane County Investment Pool, as the Spokane County fund has higher returns than the Clark County fund due to the duration of investments. If interest rates go up, the investment allocations might change.

Standing Committee Reports / Action Items

- **Finance** – Chair Duvall had nothing to report. He stated that Mr. Hill will report on a recent conversation with the Statue Auditor.

Mr. Duvall asked to add information regarding the Investment Committee report. He reported the investment committee has discussed and would suggest adding to the number of people on the committee for continuity reasons. Mr. Hill reported that would necessitate a policy change by the Board of Directors. Most of the committee's work is done telephonically, so expenses would not increase. Mr. Bartel moved to forward to the Board with the Executive Committee's favorable recommendation to increase investment committee membership from three to five people, the additional two members to be "at-large" members selected by the President-Elect from Directors and Alternate Directors following the Annual Meeting, for staggered two-year terms that commence on the first day of the next fiscal year. Mr. Duvall seconded; the motion passed.

Mr. Hill reported on a meeting with the State Auditor's Office regarding restricted assets. The Auditor's office rescinded the requirement regarding restricted assets in early May. The State Auditor's Office has agreed to issue a supplemental audit with the corrected information, revised statements have been submitted by the Pool and the new report should be available soon. \$15-16 million will move from restricted to non-restricted assets.

- **Personnel** – Chair Young had nothing to report. She asked for direction regarding Pool staff benefits, compensation and Personnel Policy reviews. The committee would like to begin a compensation and benefits package review. Ms. Devlin suggested the committee also review the Pool's Personnel Policy. Ms. Young agreed and stated the committee is primarily composed of human resources personnel and could undertake that task as well.
- **Risk Management** – Chair Perry reported the committee is working on language for the Targeted Risk Management Program and provided a proposal from the Risk Management Committee. Discussion took place regarding the requirement to offer one employment related training per year. Mr. Alvarez moved to forward the Targeted Risk Management Program for Py 2013-14 as presented onto the Board with the Executive Committee's favorable recommendation, Mr. Woods seconded; the motion passed.
- **Underwriting Committee** – Chair Woods reported the committee met to discuss cyber liability. The Committee is recommending that first party cyber liability be offered as an option for member counties, with further information to be provided at the Spring Conference. Mr. Woods noted that third party cyber liability is not listed as an exclusion in the coverage documents and the committee is recommending the Pool take no action on this issue.

Insurance Producer (Broker) Services Report: Ms. Miser presented the Third Amendment to exercise one of the two single-year extensions and extend the term of the agreement between the Pool and Arthur J. Gallagher Risk Management Services (AJG) for one year through December 31, 2014. Discussion took place regarding state regulations and current vendor contracts. Mr. Wilsdon moved to forward to the Board the Executive Committee's

recommendation to modify the current three-year contract with AJG to make it a five year contract, with one one-year extension possible and also amend the Pool's Financial Management Policy section G, subset 4b to comply with Washington Administrative Code; seconded by Mr. Grose; *the motion passed.*

Ms. Miser then requested a revised due date for the AJG annual report to the Pool. She presented the Fourth Amendment changing the report due date to October 15th each year. Discussion took place. Mr. Grose moved and Mr. Alvarez seconded to forward the Fourth Amendment to the Board, changing the due date of the written Loss Control/Prevention proposal to October 10th of each year, with the Executive Committee's favorable recommendation; *the motion passed.*

Ms. Miser provided two handouts, the Broker Services Annual Report and a Broker Service Plan detailing services provided and a timeline for those services.

President Devlin recessed the meeting at 9:45 and reconvened at 10:00 AM.

Coverage Appeal Hearing: At 10:00 AM, President Devlin opened the hearing regarding Clark County's appeal of the Executive Director's decision affirming the denial of coverage for the *Davis/Northrup (Amended Complaint)* lawsuit against Clark County and former Clark County Sheriff's Detective Donald Slagle. Telephonically, DPA Walker briefly presented argument and legal authorities on behalf of Clark County and its former employee. Mr. Hill briefly presented argument and legal authorities on behalf of the Pool. The Executive Committee questioned the parties. Of specific note, Mr. Woods asked Mr. Walker, "How is this denial/appeal different from the Spencer case?" Mr. Walker responded, "They are similar, the principles are the same." Mr. Woods followed with, "To make sure I am clear on the subject, Clark County elected not to appeal the Court's decision for summary judgment in the Spencer case," and asked, "Is that correct?" Mr. Walker replied, "Yes, we chose not to appeal." Mr. Bartel moved and Mr. Woods seconded to retire into executive session to discuss Clark County's amended appeal with counsel; *the motion passed.* Mr. Walker terminated his call and exited the meeting.

Executive Session: Acting in accordance with the WCRP Bylaws and RCWs 48.62.101 and 42.30.110(1) (i) (i), and recognizing that public discussion would impair the Committee's ability to conduct its business effectively, **President Devlin excused all those present except coverage counsel Ashbaugh, Douglas County PA/Director Clem and the Committee members excluding Secretary/Treasurer Wilsdon, and moved the Executive Committee into an estimated 30-minute executive session at 10:17 AM.**

Vice President Woods announced the executive session was complete, and President Devlin reconvened the Executive Committee in regular session at 10:47 AM to consider and vote on a motion to determine the amended complaint's coverage appeal with all of the earlier meeting participants. Mr. Goehner moved and Mr. Burton seconded to affirm the Executive Director's earlier denial of coverage in connection with the *Davis/Northrup* amended lawsuit; *the motion passed by voice vote with no dissents, but with Mr. Wilsdon abstaining in compliance with WCRP Bylaws Article 8, Section B.2.c.* Mr. Crawford and Mr. Ford left the meeting.

Insurance Producer (Broker) Services Report continued: Ms. Miser presented AJG's loss control service plan proposal for 2013/14. She also provided a summary from Dorothy Gjerdrum regarding the Risk Mapping/Charting that took place in July. Mr. Bartel moved and Mr. Woods seconded to forward the proposed loss control service plan onto the Board for consideration with the Executive Committee's favorable recommendation and suggestion that the Loss Control Coordinator with input from the Risk Management Committee be designated

to negotiate the actual Py2014 loss control activities to be provided by AJG; *the motion passed.*

Staff Reports:

- **Claims Manager Looker** requested an Executive Session for Claims Review and Settlement Authorization.
- **Executive Session – Claim Review / Settlement Authorization:** Mr. Bartel moved and Mr. Grose seconded to convene in executive session under appropriate statutory authorities to examine the pending litigation for an existing claim and discuss potential settlement authorization; *the motion passed.* Recognizing that public discussion would impair the Committee's ability to conduct its business effectively and acting in accordance with the WCRP Bylaws and RCW 48.62.101 as well as RCW 42.30.110(1) (i) (i), **President Devlin moved the Executive Committee into an estimated 10-minute executive session at 11:05 AM** after excusing Mr. Clem. **President Devlin reconvened in regular session at 11:17 AM** with all earlier participants remaining. Mr. Clem re-entered the meeting. Mr. Grose moved and Mr. Alvarez seconded to provide the Pool's Claims Manager (claims staff) with settlement authorization in the amount suggested during the executive session for the Wilson (CZ) case; *the motion passed.*
- **Executive Session – Pending Litigation:** Mr. Burton moved and Mr. Grose seconded to convene in executive session under appropriate statutory authorities to discuss potential litigation to be initiated by the Pool; *the motion passed.* Recognizing that public discussion would impair the Committee's ability to conduct its business effectively and acting in accordance with the WCRP Bylaws and RCW 48.62.101 as well as RCW 42.30.110(1) (i) (ii), **President Devlin moved the Executive Committee into an estimated 10-minute executive session at 11:19 AM** after excusing Mr. Wilsdon. President Devlin announced that she requested that Mr. Clem attend to represent the interests of the Pool. At 11:29 AM, President Devlin announced that she was extending the executive session for 10 more minutes. **President Devlin reconvened in regular session at 11:48 AM** with all earlier participants attending. Mr. Woods moved and Mr. Bartel seconded to move forward with litigation against Clark County, and with Slagle, Davis and Northrop as additional defendants; *the motion passed.* Mr. Wilsdon abstained from the vote. Mr. Woods moved and Mr. Bartel seconded to put forward a recommendation to the Board at the Autumn Meeting on November 8, 2013 to put Clark County on notice that it is in breach of contract and that it has sixty (60) days to correct the breach or that its membership may be cancelled; *the motion passed.* Mr. Wilsdon abstained from the vote.

President Devlin recessed the meeting for lunch at 11:50 AM and reconvened at 12:30 PM with all the earlier participants except Mr. Burton and Mr. Clem.

Officer and Committeeperson Reports: President Devlin asked for any Officer or Committeeperson reports. Mr. Wilsdon announced he was tendering his resignation from the Executive Committee and thereby Secretary/Treasurer effective at the end of the meeting. Mr. Bartel moved and Mr. Grose seconded to accept Mr. Wilsdon's resignation with regret; *the motion passed.*

Staff Reports (continued)

- **Executive Director Hill** reported a request from Gary Jennings to extend the Claims Auditing Consulting contract. Mr. Jennings requested a three year extension; this would be past the 5-year basic contract limit allowed. Mr. Hill recommended a two year enhancement of the present term with a possible one year extension. Mr. Bartel moved and Mr. Woods seconded to recommend a two year enhancement of the term, from 3 to 5 years, with a possible one year extension to the Board with the Executive Committee's favorable recommendation; *the motion passed.*

Mr. Hill noted the State Risk Manager is moving forward with changes to WAC 200.100 and that he had provided written comments as the Pool's Executive Director.

- **Claims Manager Looker** reported that Pool Year Z has commenced, and that staff recommended moving forward with numbers to designate future pool years. Gary Jennings recently conducted claims audits for three counties, the Pool's triennial audit with internal staff will take place in November. Clarifications were made regarding Riskmaster access and electronic claims reporting. Ms. Looker announced that the new Senior Claims Analyst, Terry Sheerin, is off to a strong start and Ms. Looker is shifting cases to her. Mr. Hill added that the Office Assistant position was also recently filled and both new employees are planning to attend the Autumn conference.
- **Loss Control Coordinator Lowe** reported the Risk Management Committee met in October. The committee has recommended that Ms. Lowe look into live stream training. She plans to try the process with a HIPPA IT training in Skagit County. Ms. Lowe also reported that the new Cyber Security training had a good turnout and she is looking into videotaping the class. She then gave an update on the Training for Elected Officials sessions, Lexipol participation and she reported that all Compact Compliance Audits are complete with the exception of Yakima County. Ms. Lowe is awaiting a response from the designated Yakima County Risk Manager regarding the Compact Compliance Audit.
- **Specialty Services:** As David Goldsmith was not available to attend the meeting, Mr. Hill reported that Wahkiakum County chose to stay with its current program.

Mr. Hill also noted the actuaries are diligently working on the actuarial report and preliminary numbers are favorable, but the report might not be ready in time for the Autumn Conference.

Upcoming Meetings and Trainings: Discussion took place regarding future Risk Pool meetings. Suggestions for 2015 meetings were made including the Lodge at Suncadia (Kittitas), Skamania Lodge (Skamania), Sun Mountain Lodge (Okanogan), Little Creek Casino (Mason) and Great Wolf Lodge (Thurston).

Adjournment: With no further business items to address, President Devlin adjourned the meeting at 1:10 PM.

MINUTES APPROVED this 7th day of November, 2013.



President

Attest: 

Ex-Officio Secretary/Treasurer